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C O N F I D E N T I A L SECTION 1 OF 3 SAIGON 15657

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SUBJ: PHUNG HOANG HIGH VALUE REWARDS PROGRAM (U)

REF: A. STATE 177749; B. SAIGON 11380; C. SAIGON 12138;
D. SAIGON 14021; E. SAIGON 15018

1. (C) REF A, PARA 3A. THE STATUS OF THE HIGH VALUE REWARDS PROGRAM (HVRP) HAS CHANGED LITTLE FROM THAT IN REF D. AT PRESENT, TWELVE DOSSIERS HAVE BEEN TENTATIVELY SELECTED FOR APPROVAL. A COMBINED MEETING OF NATIONAL POLICE AND MACCORDS REPRESENTATIVES DID NOT OCCUR IN EARLY SEPTEMBER FOR FINAL REVIEW OF DOSSIERS BECAUSE THE NEWLY ADDED PROVINCE OF VINH LONG WAS LATE IN SUBMITTING ITS DOSSIERS AND THE PROVINCE OF QUANG NAM SUBMITTED SEVEN ADDITIONAL DOSSIERS. AN UNANTICIPATED COMPLICATING FACTOR IN THE REVIEW OF DOSSIERS COME WITH THE PUBLISHING OF PRIME MINISTERIAL CIRCULAR 1042 ON 2 AUG 71. THIS NEW CIRCULAR INTRODUCES SEVERAL NEW REFORMS INTO PROVINCE SECURITY COMMITTEE PROCEDURES, AS EXPLAINED IN REF E, WHICH WILL AFFECT SENTENCING OF VIET CONG POLITICAL INFRASTRUCTURE PERSONNEL (VCI) UNDER AN TRI. HENCE, THE NATIONAL POLICE ARE AGAIN REVIEWING THE TWELVE DOSSIERS

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TENTATIVELY SELECTED. THE NATIONAL POLICE COMMAND HAS DEFERRED ANY PUBLIC ACTION ON HVRP UNTIL AFTER THE 3 OCT PRESIDENTIAL ELECTION, AND WILL PROBABLY CONTINUE TO DEFER ACTION UNTIL SUCH TIME AS THE POLITICAL SITUATION CLEARS.

2. (U) REF A, PARA 3B: THE FOLLOWING QUESTIONS AND ANSWERS HAVE BEEN DEVELOPED BY MACCORDS TO RESPOND PUBLICLY TO INQUIRIES ON HVRP.

A. WHAT IS HVRP? HVRP IS A VIETNAMESE PILOT PROGRAM DESIGNED TO SAVE LIVES AND BLOODSHED BY NEUTRALIZING THE LEADERSHIP OF THE VIET CONG POLITICAL APPARATUS, ITS INFRASTRUCTURE, THROUGH A SYSTEM OF REWARDS LEADING TO THE CAPTURE OF SPECIFICALLY-TARGETTED, HIGH LEVEL LEADERS.

B. WHAT IS THE AMOUNT OF REWARDS? REWARDS ARE OF ONE, TWO, AND THREE MILLION PIASTES IN ORDER TO PROVIDE THE STIMULUS NECESSARY TO ENCOURAGE INFORMANTS TO SUPPLY INFORMATION NECESSARY TO LOCATE AND CAPTURE KEY VCI.

C. HOW WILL THE PILOT PROGRAM FUNCTION? THE PROGRAM WILL BE UNDER THE DIRECTION OF THE NATIONAL POLICE COMMAND AND WILL INITIALLY BE IMPLEMENTED IN FIVE PROVINCES: QUANG NAM, BINH DINH, BIEN HOA, VINH BINH AND AND VINH LONG. THE PROGRAM, AFTER SEVERAL MONTHS TRIAL, WILL BE EXPANDED OR TERMINATED BASED ON AN ASSESSMENT OF ITS PERFORMANCE.

D. WHAT IS THE SOURCE OF FUNDS? FUNDS ARE PROVIDED FROM ASSISTANCE-IN-KIND, WHICH IS INCLUDED IN THE JOINT SUPPORT BUDGET PORTION OF THE GVN DEFENSE BUDGET. JOINT SUPPORT PIASTERS PRIMARILY ARE GENERATED BY THE PL 480 TITLE I SALES PROGRAM BUT MAY ALSO INCLUDE PIASTERS GENERATED UNDER THE US COMMODITIES IMPORT PROGRAM. THE FORMER ARE US-OWNED, THE LATTER ARE GVN-OWNED. GVN WILL PAY THE REWARDS WITH FULL INFORMATION PROVIDED TO US ADVISORS.

E. IN PAYING OUT LARGE SUMS OF MONEY TO INFORMERS, WON'T YOU ENCOURAGE MORE GRAFT AND CORRUPTION? SAFEGUARDS ARE BUILT INTO THE PROGRAM TO PREVENT THIS. BECAUSE OF OUR INTEREST IN THE DISBURSAL OF US CONTROLLED FUNDS AND IN INSURING JUSTICE TO THE ACCUSED, THERE WILL BE US ADVISORY REVIEW AT EVERY LEVEL.

F. IS THIS PROGRAM JUST A COVER FOR ASSASSINATIONS? ABSOLUTELY NOT. IN FACT, TO ENCOURAGE CAPTURE OF THE VCI, THE NORMAL BONUS OF 200,000 PIASTERS TO THE REACTION FORCES WHO CAPTURE THE TARGETED INDIVIDUAL WILL BE CUT IN HALF IF THE INDIVIDUAL IS KILLED. OBVIOUSLY, A CAPTURED VCI IS POTENTIALLY A SOURCE OF EXTREMELY VALUABLE INTELLIGENCE. IN ADDITION, AS AMERICANS WE ARE COMMITTED TO SEEING THAT THE ACCUSED IS PROTECTED BY DUE PROCESSES OF LAW.

G. HOW DO YOU JUSTIFY SUCH A PROGRAM IN MORAL TERMS? MOST CONTEMPORARY ETHICAL SYSTEMS CONCEDE TO A GOVERNMENT THE RIGHT TO IMPOSE LAW AND ORDER BY THE USE OF FORCE, IF NEED BE, AGAINST THOSE WHO THREATEN THE LIVES AND SAFETY OF THE REST OF THE POPULATION. THE VCI ARE THE LEADERS WHO, DELIVERATELY AND AS A MATTER OF POLICY, HAVE EMPLOYED ASSASSINATION, TERRORISM, AND EXTORTION AGAINST THEIR FELLOW COUNTRYMEN. THEVW PURPOSE IS TO SEE THAT SUCH OFFENDERS ARE BROUGHT TO JUSTICE.

H. IF A REWARDS PROGRAM IS SUCH A GOOD IDEA, WHY HASN'T IT BEEN IMPLEMENTED BEFORE?

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IT HAS, BUT NOT ON THE SAME SCALE. SINCE 1965 US MILITARY UNITS IN RVN HAVE PAID MONEY FOR INFORMATION ON THE LOCATION OF THE ENEMY. THE PROGRAM HAS WORKED AND MADE A SUBSTANTIAL CONTRIBUTION TO OUR INTELLIGENCE CAPABILITY. PHUNG HOANG HAS ALSO USED SUCH INCENTIVES. THE PHUNG HOANG COMMITTEE IN KIEN PHONG PROVINCE RECENTLY OFFERED REWARDS UP TO 100,000 PIASTERS TO VIETNAMESE HELPING TO NEUTRALIZE ANY OF THREE HARD-CORE ENEMY LEADERS IN THE PROVINCE.

I. WHY DID THE GVN WAIT UNTIL JULY 1971 TO DECIDE THAT IT WOULD GIVE TOP PRIORITY TO A REWARDS PROGRAM DIRECTED AGAINST THE VCI? ACTUALLY, THE ELIMINATION OF THE ENEMY'S POLITICAL APPARATUS HAS BEEN A TOP PRIORITY FOR SEVERAL YEARS. HOWEVER, PACIFICATION HAS NOW PROGRESSED TO THE POINT WHERE MORE CITIZENS HAVE A STAKE IN AN ORDERLY, PEACEFUL LAND SO THEY AND THEIR FAMILIES CAN PARTICIPATE AND BENEFIT FROM A DEVELOPING ECONOMY. HVRP OFFERS THEM AN OPPORTUNITY TO FIGHT BACK AGAINST VCI WHO MENACE THE COUNTRYSIDE WITH ASSASSINATIONS, KIDNAPPINGS AND OTHER TERRORIST INCIDENTS.

J. WOULDN'T A GOOD CITIZEN TAKE SUCH A STEP VOLUNTARILY WITHOUT THE INCENTIVE OF A REWARDS PROGRAM? YOU MUST REMEMBER THAT WE ARE DEALING WITH A RELATIVELY NEW NATION WHERE LOYALTY

TO A NATIONAL ADMINISTRATION HAS NOT BEEN A TRADITIONAL VALUE. VIETNAMESE HAVE ALWAYS HAD A PRONOUNCED SENSE OF THEMSELVES AS A PEOPLE, BUT VERY LITTLE AS A NATION. IN ADDITION, THE RISK TO THE INDIVIDUAL SUPPLYING INFORMATION IS SUBSTANTIAL. IN THE FACE OF THIS RISK IT IS ELEMENTARY JUSTICE THAT THE CITIZEN BE REWARDED WHEN HE RISKS HIS OWN LIFE AND MAKES A CONTRIBUTION TO HIS COUNTRY'S WELFARE.

K. IF THE ACCUSED IS ACQUITTED, DOES THE INFORMER STILL RECEIVE AN AWARD? IF THE ACCUSED IS ACQUITTED, IT IS PROBABLE THAT THE INFORMER WOULD GET THE REWARD. HOWEVER, IF THE NAME OF A VCI APPEARS ON THIS HIGHLY SELECTIVE LIST, IT HAS BEEN ADMINISTRATIVELY DETERMINED THAT THERE IS OVERWHELMING EVIDENCE WHICH SHOULD RESULT IN HIS CONVICTION.

L. DOESN'T THE IMPLEMENTATION OF A PROGRAM OF THIS KIND RUN COUNTER TO EVERY AMERICAN INSTINCT AS WE TRY TO INCULCATE IN THE VIETNAMESE A RESPECT FOR DUE PROCESS AND CITIZENS RIGHTS SVN IS A COUNTRY THREATENED BY OTHER INTERNAL SUBVERSION AND AN EXTERNAL MILITARY THREAT. DURING OUR OWN CIVIL WAR, PRESIDENT LINCOLN, WHO IS REGARDED AS ONE OF OUR GREATEST LEADERS, SAW FIT TO REVOKE HABEAS CORPUS. EVEN TODAY ANYONE WHO HAS BROWSED IN AN AMERICAN POST OFFICE OR POLICE STATION IS FAMILIAR WITH DOZENS OF WANTED POSTERS IN WHICH REWARDS ARE OFFERED TO CITIZENS FOR INFORMATION LEADING TO THE ARREST OF PERSONS REGARDED AS PUBLIC ENEMIES. THE IRS OF THE US ALSO ENCOURAGES CITIZENS TO INFORM ON KNOWN TAX EVADERS.

M. WHAT KIND OF JUDICIAL PROCESS IS INVOLVED IN THE TRYING OF ACCUSED VCI? SEVERAL TYPES OF JUSTICE ARE AVAILABLE. A MILITARY COURT IN NHA TRANG RECENTLY TRIED A VCI AND ACQUITTED HIM ON GROUNDS OF INSUFFICIENT EVIDENCE. A MILITARY COURT IS ACCEPTED AS DUE PROCESS IN VIETNAM. THERE IS ALSO THE PROVINCIAL SECURITY COMMITTEE, WHICH IS A NON-JURIDICAL BODY.

N. CAN THE ACCUSED HIRE A LAWYER? YES, HE MAY. IN ALL COURTS IN SVN.

O. WHAT ARE THE LEGAL QUALIFICATIONS OF THE PEOPLE DOING THE JUDGING? THEY VARY FROM COURT TO COURT IN THE SAME FASHION THAT CAPABILITIES AND DEGREES OF EXPERTIZE VARY IN OTHER FIELDS IN SVN. A DEVELOPING COUNTRY ALMOST BY DEFINITION LACKS

QUALIFIED PERSONNEL IN MANY FIELDS.

P. WHAT ARE THE USUAL PENALTIES? A SENTENCE FROM ONE TO TWO YEARS IS NORMAL; ON RARE OCCASIONS, UP TO SIX YEARS.

Q. DURING THE LIFE OF THIS PILOT PROGRAM, WHAT WILL HAPPEN TO THE PROSECUTION OF THE STRUGGLE AGAINST THE VCI IN THE REST OF THE COUNTRY? EVERY DAY IN EVERY HAMLET OF SVN THE SECURITY APPARATUS OF THE NATIONAL POLICE IS WORKING TO DEVELOP INTELLIGENCE TO DESTROY THE VCI NETWORK. THESE EFFORTS WILL CONRDAUE. IN THE FIVE PROVINCES CITED, ANOTHER WEAPON FOR THE GOVERNMENT WILL BE TRIED TO DETERMINE HOW EFFECTIVE IT COULD BE IN OTHER AREAS OF THE COUNTRY AS WELL.

R. DOES THE IMPLEMENTATION OF THIS PILOT PROGRAM INDICATE THAT PRIOR EFFORTS TO DISMANTLE THE VCI APPARATUS HAVE BEEN UNSUCCESSFUL THE PREVALENCE OF TERRORISM IN MANY SECTIONS OF THE COUNTRY IS TESTIMONY THAT THE VCI HAS MANAGED TO SURVIVE.

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S. IN THE EVENT HVRP WORKS SO WELL THAT IT IS EXTENDED TO THE REMAINDER OF SVN, WHO WILL ABSORB THE COST NOW THAT THE US IS WITHDRAWING ITS FORCES? THE NEUTRALIZATION OF THE VIET CONG'S LEADERSHIP NETWORK IS SO CRITICAL TO THE FUTURE EXISTENCE OF SVN THAT IT IS HIGHLY PROBABLE THE GVN WOULD RE-PROGRAM FUNDS FROM OTHER LESS ESSENTIAL ACTIVITIES TO INSURE THE CONTINUANCE OF HVRP IF IT IS SUCCESSFUL.

T. IF WE ASSUME THAT YOU IDENTIFY AND CAPTURE THE KEY VCI IN EACH PROVINCE, WHAT ASSURANCE DO WE HAVE THAT THIS WOULD REPRESENT A PERMANENT BENEFIT? WOULDN'T THEY BE REPLACED? AS THE SITUATION STANDS AT PRESENT, THEY WOULD PROBABLY BE REPLACED. IT IS HIGHLY LIKELY THAT THE REPLACEMENTS WOULD NOT BE AS EXPERIENCED OR AS ABLE AS THOSE NEUTRALIZED. THE VC'S SUPPLY OF HIGHLY QUALIFIED, WELL-TRAINED INDIVIDUALS IS NOT INEXHAUSTIBLE. IT MAY BE ASSUMED IN MANY CASES THAT THE REPLACEMENTS WOULD LACK THE EFFECTIVENESS OF THEIR PREDECESSORS.

U. WHY NOT GIVE THE INFORMANTS LAND INSTEAD OF MONEY SO AS TO GIVE THEM A PERMANENT STAKE IN THEIR COUNTRY? THE ENEMY TERROR APPARATUS WOULD BE ABLE TO STRIKE READILY AT INFORMANTS CONVENIENTLY IDENTIFIED BY THEIR NEW LAND HOLDINGS. MONEY IS A BETTER CONCEALED REWARD AND WOULD ALLOW A CITIZEN TO

MOVE TO ANOTHER PART OF THE COUNTRY TO PROTECT HIS IDENTITY.

V. WILL HVRP SPEED UP THE NEUTRALIZATION OF THE VCI?
YES, RECENTLY IN THE DELTA, AN IMPORTANT VCI VISITED SEVERAL HAMLETS. LATER, THE LOCAL POLICE WERE INFORMED OF THIS, BUT THE MAN HAD ALREADY FLED. WITH THE INCENTIVE OF HIGH REWARDS IT IS LIKELY THAT INFORMANTS WILL PROVIDE MORE TIMELY INTELLIGENCE LEADING TO CAPTURES.

W. AND IF YOU DECIDE THAT THE PILOT PROGRAM IS NOT WORKING?
HVRP IS ONLY ONE FACET OF A COMPLETE CAMPAIGN. WE WOULD CONTINUE TO PUSH OTHER ACTIVITIES.

3. (C) REFERENCE A, PARAGRAPH 3C. SEE PARAGRAPHS 2D, E, G, I, L, O, S, SUBPARAGRAPHS. IN ADDITION, WHEN THE IDEA OF A HIGH VALUE REWARDS PROGRAM WAS PRESENTED TO THE GVN, IT AGREED TO DEVELOP SUCH A PROGRAM BUT NOT FINANCE IT. THE US IS CURRENTLY FUNDING THE PROGRAM SINCE IT MADE THE ORIGINAL PROPOSAL TO THE GVN. THIS PROPOSAL WAS BASED ON A RECOMMENDATION BY AMBASSADOR COLBY IN DEC 1970 AND SUBSEQUENT INTEREST IN REWARDS PROGRAMS BY THE JCS AND SECDEF AS EXPLAINED IN REFERENCE B. CURRENT US CONTROL OF FUNDS AND ADVISOR MONITORING SERVES AS A BRAKE ON THE POSSIBLE MISAPPROPRIATION OF FUNDS. BY EXTENSION, IF THE GVN HAD IN FACT RE-PROGRAMMED FUNDS FROM OTHER ACTIVITIES FOR SUPPORT OF HVRP, THESE FUNDS WOULD THEN BE UNDER THE DIRECT CONTROL OF GVN OFFICIALS WITHOUT US AUDIT AND WOULD BE SUBJECT TO MISAPPROPRIATION.

4. (U) REFERENCE A, PARAGRAPH 2. IT IS EMPHASIZED THAT HVRP IS NOT A "BOUNTY SYSTEM." MONEY IS PAID FOR INFORMATION LEADING TO A SELECTED INDIVIDUAL. EVERY EFFORT HAS BEEN MADE AND WILL CONTINUE TO BE MADE TO IMPRESS UPON GVN REPRESENTATIVES THAT CAPTURE REPEAT CAPTURE IS THE PRIMARY OBJECTIVE. SINCE THE TYPE OF INDIVIDUAL SELECTED WILL HAVE A POSITION OF GREAT INFLUENCE IN THE LOCAL VC POLITICAL APPARATUS, HE WILL ALSO BE ABLE TO PROVIDE CONSIDERABLE INFORMATION ON VC ACTIVITIES WITHIN HIS AREA. THIS INFORMATION WILL HOPEFULLY ALLOW THE GVN TO MOUNT OPERATIONS WHICH WILL PRODUCE DISORGANIZATION OF THE POLITICAL INFRASTRUCTURE. THIS WILL IN TURN HAVE EFFECTS ON MILITARY OPERATIONS SINCE THE LOCAL POPULACE WILL BE SPARED THE POLITICAL TERRORISTIC PRESSURE IMPOSED ON THEM BY THE INFRASTRUCTURE. THE PROGRAM, THEREFORE, HAS CONSIDERABLE POTENTIAL.

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AND THE ORIGINAL COST SHOULD BE REPAID SEVERAL TIMES OVER THROUGH EFFECTS ON OVERALL VIET CONG ACTIVITIES.

5. (C) BECAUSE OF THE UNCERTAINTIES OF THE CURRENT POLITICAL SITUATION IN RVN A REVIEW OF THE HVRP WITH THE GVN MAY BE PROPOSED AFTER THE 3 OCT ELECTION. THE PURPOSE OF THE REVIEW WILL BE TO DETERMINE IF IT WOULD STILL BE POLITICALLY FEASIBLE TO IMPLEMENT THE PROGRAM AS CURRENTLY ESTABLISHED OR, IF IT WOULD BE BETTER TO ALTER CURRENT PROCEDURES TO BETTER SUIT THE SITUATION.
BUNKER